

Thomas-Jensen Affirmation

Exhibit # 31

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

STATE OF NEW YORK; et al.,

Plaintiffs,

v.

DONALD TRUMP, in his official capacity as
President of the United States; et al.,

Defendants.

C.A. No. 1:25-cv-00039-JJM-PAS

DECLARATION OF MARY HALTERMAN

I, Mary Halterman, declare as follows:

1. I am a resident of the State of California. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.

2. I am currently employed by the California Department of Finance as the Assistant Program Budget Manager responsible for the department's Federal Funds Accountability and Cost Tracking Unit.

3. The California Department of Finance serves as the Governor's chief fiscal policy advisor and promotes long-term economic sustainability and responsible resource allocation across the state budget.

4. As the Assistant Program Budget Manager responsible for the department's Federal Funds Accountability and Cost Tracking Unit, I manage the unit that seeks to maximize the impact of federal investments by monitoring and highlighting new federal funding opportunities for California, administering and ensuring compliance of over \$27 billion in COVID-19 stimulus funding awarded to major state programs, and coordinating COVID-19 direct disaster response costs tracking and recovery.

5. Federal funding typically comprises about a third of the State of California's budget. For example, in fiscal year 2024-25, California's \$500 billion budget anticipates \$168 billion in Federal Funds (34 percent of all funding) as well as \$232 billion of state General Fund (46 percent of all funding, generally from personal income tax, corporation tax, and sales tax). The remainder of the state budget consists of state Special Funds and state Bond Funds, which

may be used only for purposes specified in law. The Federal Funds amount does not include federal funds expected by the state's public college and university systems.

6. Roughly two-thirds of the Federal Funds received by California is Medicaid funding, with significant funding for education, highway safety, human services and public health, natural resources and the environment, and labor and employment.

7. For fiscal year 2024-25, Medicaid (known as Medi-Cal in California) is budgeted for \$107.5 billion in Federal Funds (64 percent of all Federal Funds received by California). Federal Fund drawdowns for Medi-Cal average between \$6 billion to \$9 billion monthly. Any pause in this funding would harm up to 15 million Californians covered by Medi-Cal—more than one-third of the state's population, as well as their health care providers.

8. As of January 2025, the State of California has been allocated a total of \$63 billion from the Infrastructure Investment and Jobs Act of 2021 and nearly \$5 billion from the Inflation Reduction Act of 2022 for programs related to public transportation, roads and bridges, water infrastructure, and broadband infrastructure, among others. This amount does not include funding allocated to political subdivisions of the State.

9. Of California's approximately 250,000 state employee positions, over 9,000 full-time equivalents (3 percent) are federally funded.

10. I am aware that the memorandum titled "Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs," issued by Matthew J. Vaeth, Acting Director of the Office of Management and Budget on January 28, 2025 ("OMB Memo"), directed federal agencies to indefinitely pause the disbursement of federal funds under all open federal financial assistance awards. The OMB Memo created confusion and doubt for our office regarding the availability of federal funds necessary to fund all critical state operations such as healthcare

(including Medi-Cal), emergency relief, and highway safety, among other things. The state's budget relies upon the receipt of federal funding as it has been obligated, and the uncertainty regarding the availability of federal funds is ongoing.

11. If federal funding is again paused, blocked, denied or delayed, California's ability to provide services that its constituents rely upon, such as Medi-Cal or highway safety, will be detrimentally impacted. It will again cause chaos for state sectors, such as the health care and transportation sectors, that are reimbursed for those services and receive related grants. And without knowing whether and when federal dollars will be disbursed, state agencies may not be able to outlay those funds, causing immediate pause or potential termination of government services in some sectors.

12. The possibility of a pause also poses serious problems for the state in managing contracts that ultimately rely upon federal funds. The state must either choose financial risk by continuing to pay contractors while federal payments are suspended – an option that is constrained by limited state resources – or reduce this financial risk by ordering contractors to stop work, which creates other risks for the state including potential liability to contractors. A pause of federal funds thus jeopardizes billions of dollars for water infrastructure, transportation, and broadband infrastructure projects, among others.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 5, 2025, at Sacramento, California.



Mary Halterman